

# *General Property Policies*

## **Introduction**

Los Alamos National Laboratory (LANL) is responsible for the efficient and economical management of all government property in its custody. This manual explains how LANL protects and controls personal property.

In this manual, the term "personal property" is used as defined in Title 41 of the Code of Federal Regulations (CFR) at 101-43.001-23. Essentially, it is anything except real property (land and buildings), certain types of naval vessels, records, and the special materials listed at 41 CFR 109-1.5003. Specifically, "personal property" refers to equipment, supplies, and materials owned, rented, or leased by the United States Government, the University of California, or some other entity. The term does not refer to equipment, material, or other things owned by the private individual. Most property at the Laboratory is owned by the U.S. Department of Energy.

LANL maintains these site-specific property management policies and procedures based on federal and state laws, the Code of Federal Regulations, the University of California (U.C.) Laboratories' Joint Property Management Policies and Procedures, U.C.'s LANL management contract, government orders and instructions, and LANL administrative policies.

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## **Responsibility for Property**

### **General Responsibility**

#### **Policy**

LANL is committed to maintaining a property management system that efficiently and economically manages and controls property entrusted to its care. The general concept of property management at the Laboratory is to assign accountability for property to the division, the line management, and the property custodian using the item.

#### **Cross-References:**

University of California Joint Property Management Policies and Procedures (Joins) I.1

41 Code of Federal Regulations (CFR) 109-1.5001

United States-Univ. of California Contract for Management of Los Alamos National Laboratory (Contract) Article IX.1

## **Specific Responsibilities**

### **University/Director**

The University, through the director of the Laboratory, is responsible for the efficient and economical management of all property in the custody of LANL. This responsibility involves the proper acquisition, receiving, storage, use, excessing, salvage, and disposal of supplies, materials, and property.

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## **Property Management**

Property Management, BUS-6, is responsible for oversight of Laboratory property management activities and property records, and for providing property guidance to all other personnel.

BUS-6 will make recommendations to correct deficiencies or property record discrepancies. BUS-6 integrates its efforts with those of the business team leaders (BTLs), the property specialists, Operational Security and Safeguards, and other groups in the Business Operations division to maintain an effective property management process.

BUS-6 is responsible for establishing and implementing policies and procedures that address the acquisition, identification, inventorying, utilization, and disposition of property at the Laboratory.

BUS-6 will conduct biennial property management reviews with the BTLs and line managers. Each review will include the following:

- walk-through inspections of operating and storage areas to identify idle, unnecessary, and infrequently used equipment and material
- visual inspection of storage areas to ensure that divisions follow Laboratory property management policies and procedures for storing equipment
- review of property records to confirm that divisions are maintaining adequate records and to ensure proper management of assigned equipment
- review of equipment pool operations
- review of property center records of equipment removals

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- review of the accuracy and completeness of the records maintained in the property management database, the Property Accounting, Inventory, and Reporting System (PAIRS)
- verification that all property custodians have signed Accountability Statements to accept responsibility for the items assigned to them
- other steps as necessary to ensure that divisions are managing property appropriately

## **Property Accounting**

The Property Accounting section of the Accounting Group:

- reviews Purchase Requests for accuracy of accounts and other information
- reviews the accuracy and completeness of the financial information in PAIRS
- enters all initial PAIRS information except property custodianship and location

## **Division Director**

The division director has the general responsibility for management of property entrusted to his or her division, including proper use and protection. Division directors are responsible for decisions regarding acquisition, need, and storage of property items. They must ensure that operating and storage areas are managed in compliance with LANL property management policies and procedures and respond to recommendations resulting from audits and biennial reviews.

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## **Business Team Leader**

The BTL, an employee of the Business Support Services groups, is assigned to assist the division with business matters including property management. The BTL takes actions necessary to ensure compliance with property policies either directly through line management or in association with the property specialist and the division's property administrator(s) (PAs). These actions must be consistent with the authorities granted by the division director.

BTLs will have a working knowledge of and remain current on property management policies, regulations, and procedures, and PAIRS.

The BTLs are responsible for the following:

- supervising the PAs
- formulating division policies that ensure compliance with Laboratory policies and procedures and the achievement of Laboratory performance objectives
- ensuring that custodial assignments and locations for property-numbered items are updated on PAIRS when they change
- coordinating the inventory of property-numbered equipment
- determining the disposition of property upon completion of projects, in conjunction with the host organization and PA
- participating in biennial property utilization reviews

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## **Property Specialist**

The property specialist (PS), an employee of BUS-6, has the responsibility for:

- oversight of property management in his or her assigned organizations
- providing support for the PAs, BTLs, and division directors in property management
- reporting to the organizations on property management activities and performance measures
- working to ensure compliance with property policies through the PAs, BTLs, line managers, and division directors
- serving as a liaison between the assigned organizations, BUS-6, and external agencies on property matters
- continually reviewing policies and procedures, both organizational and Lab-wide, for needed additions or revisions

The PS, BTLs, and PAs will work closely to ensure that the administrative functions pertaining to property assigned to the division are coordinated and processed in accordance with property management policies and procedures.

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## **Line Managers**

The term "line manager" refers to a team or section leader, or to the direct supervisor of any manager up through the Laboratory director. Line managers are responsible for ensuring that their workers care for property in a manner that is consistent with the Laboratory's policies and procedures, and for maintaining a secure environment for property.

Line managers are expected to make every effort to stimulate employee participation and cooperation in carrying out an effective and economical program of property management.

41 CFR 109-1.5109  
AM 701

Line managers will:

- inform workers of their responsibilities for property
- determine the need for a worker to have property-numbered items assigned to him or her
- authorize the removal of property-numbered items from the Laboratory
- authorize property and transport passes for movement of property between Laboratory sites
- ensuring reassignment of all property after a property custodian terminates or changes employment
- ensure that employees have working knowledge of property policies and procedures
- assist the BTL and the PS in managing division property

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- monitor policy compliance among employees and correct violations
- administer corrective action/disciplinary actions as appropriate for property policy violations
- participate in biennial property utilization reviews
- participate in reviews of policy violations within their organizations

## **Property Administrator/ Property Center**

A property center is an office responsible for tracking property within a division or group, led by a property administrator. The PA is an employee of Business Support Services and is assigned to an organization through negotiations with the division director and the BTL. Each division has one or more PAs.

The PA is responsible for the administrative details associated with the stewardship of property. He or she maintains current and updated property information in the PAIRS database system consistent with Laboratory property management policies and procedures. Specifically, the PA is responsible for:

- assigning initial custody for all property-numbered items, including capital, attractive, and controlled property
- processing changes in custodian, location, organizational stewardship, and other property record information
- maintaining ALL records associated with property transactions including:
  - securing and retaining signed accountability statements and property lists from property custodians



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— securing, retaining, and maintaining records for the shipment of property

— processing requests to remove property off the work site

- ensuring that all forms and memoranda are completed in full and accurately before signing them
- conducting inventories
- overseeing motor equipment control and records
- supporting and participating in audits, assessments, and reviews
- coordinating reassignment of all property with the line manager after a property custodian terminates or transfers employment

## **Property Custodian**

The property custodian is any individual who is assigned one or more property items. A property item can be assigned to only one property custodian. Along with employees, contract employees, affiliates, and other LANL workers not employed directly by the Laboratory may be assigned property for use in performing Laboratory work or pursuant to a contract. The property custodian is responsible for:

- signing accountability statements for all items assigned to him/her
- protecting all property, assigned or otherwise, from loss, damage, or theft
- knowing the location and condition of all assigned property

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- making it available upon request for inventory or inspection
- notifying the PA, line manager, and Operational Security and Safeguards Special Projects Office immediately if assigned property is lost, damaged, destroyed, or stolen
- reporting in advance any change in property assignment or location to the PA
- acquiring from the PA proper documentation prior to transporting property from its assigned location
- reporting immediately property that needs repair or no longer is needed
- becoming familiar with and following all custodial responsibilities contained in LANL policies and procedures

*Note: When equipment is lost, damaged, destroyed, or stolen, the government may hold the custodian financially liable for repair or replacement if it is proven that cause of the loss, damage, destruction, or theft is the result of willful misconduct or gross negligence of the custodian. "Gross negligence," in this context, means intentional neglect or wanton disregard for the duty to protect government property.*

41 CFR 109-1.5106 (6) (vii)  
AM 701 & 712

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## **Official Use**

Property of or borrowed by LANL is government property and shall be used for official purposes only, except in emergencies threatening loss of life or property. Official purposes are the performance or support of Laboratory work or such other purposes as authorized by the Laboratory's property policies. Use of government-furnished property, facilities, and services for private commercial gain or private personal benefit is prohibited.

41 CFR 101-25.100  
41 CFR 109-1.5102  
Joints I.3  
Contract Article IX.1(h)

## **Maximum Use**

The best possible use will be made of property. Supplies and equipment held by Laboratory organizations generally shall be limited to those items essential for carrying out LANL programs effectively.

41 CFR 109-1.5103

All property that is idle, under-utilized, or unneeded (even if sometimes used), must be:

- assigned to a more appropriate user
- assigned to an equipment pool
- declared spare equipment
- declared "Equipment Held for Future Projects"
- transferred to another organization
- loaned outside the Laboratory
- declared excess

These transactions are explained elsewhere in the manual (see "Table of Contents").

Property in workable condition will be retained as long as it can be used without incurring excessive

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maintenance costs, substantial reduction in trade-in value (if any), or inefficiency due to obsolescence.

41 CFR 101-25.401

## **Property Control**

The Laboratory provides various levels of control over property consistent with its useful life, cost, and sensitivity. These controls include administrative controls, property marking, property numbering and record-keeping, identification of attractive property (also known as "sensitive" property), and physical protection.

41 CFR 109-1.5106  
Joints I.2

## **Administrative Controls**

Administrative controls of the following types are placed on all property, regardless of useful life, cost, or attractiveness:

- independent authorization for purchase
- independent verification of receipt
- independent authorization for payment
- corrective actions for unofficial use of property
- review of acquisitions by the BTL and Property Accounting
- requirement of proper documentation for transport or removal of property (see Chapter IV, "Transporting Property")

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## **Physical Control**

Government property must be protected from theft at all times. Overnight storage areas should be as secure as possible (a locked storage cabinet if feasible, or at least a locked room or cage). Equipment custodians will promptly report missing property to their PAs and line managers as soon as the property is missed.

41 CFR 109-1.5106-4(d) & 5(d.6)  
Contract Article IX.1(e)

## **Property Marking**

All government-owned equipment and materials will be marked as U.S. Government property unless impractical to be marked or not required by regulation to be marked.

*Note: Marking deters theft or diversion by placing a subsequent purchaser on notice as to the true owner of the equipment and by establishing a critical element of proof.*

Contract Article IX.1(c)

## **Property Numbering and Record-keeping**

All capital, controlled, and attractive ("sensitive") equipment will be identified by unique property numbers found on their bar code labels ("tags"). These equipment types are defined as follows.

- capital items
  - do not lose their identity
  - have useful lives of two or more years
  - have initial acquisition or fabrication costs of \$5,000 or more
  - do not meet the definition for attractive items

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- controlled items
  - have life expectancies of two or more years
  - have initial acquisition or fabrication costs of \$1,000 to \$4,999
  - do not meet the definition for attractive items
- attractive items (see table on I-18)
  - have life expectancies of two or more years
  - are highly portable
  - are easily converted to personal use or sold for cash
  - are more susceptible to theft than other Laboratory property
  - generally have acquisition values of \$300 or more (see table on page I-18 for exceptions)

41 CFR 109-1.5106-1  
Joints II.3

The property number will be recorded and the property will be tracked throughout its useful life at the Laboratory as documented in this manual.

*Note: BUS-6 consults with the Facilities, Safeguards and Security Special Projects Office (FSS/SPO), Property Accounting, and Materials Management as needed to determine which items should become or continue to be categorized as attractive.*

41 CFR 109-1.5106-4(c)

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## **Administratively Controlled Property**

Some types of equipment are tracked only because they are potential health, safety, or security risks, or they require periodic maintenance or calibration. These "administratively controlled items" are not identified in the property database. They are managed by alternative methods such as maintenance records, sign-out sheets, etc. They are not subject to physical inventories.

DOE Albuquerque Property Management Instructions (ALPMI)  
109-1.5100-51

## **Expense Items**

Non-property-numbered ("expense") items may be provided to non-Laboratory organizations as government-furnished property, loans, or joint-use property. If not already done, the recipient is responsible for marking items as per the "Identifying and Recording Property" section in Chap. 2, "Acquisition." The recipient must return or account for expense items upon termination of the appropriate subcontract or agreement.

## **Classified Property**

Classified property is beyond the scope of this manual. Persons needing information on classified items should contact the organization(s) that classified them.

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## **Attractive Property Categories**

Property items in the following categories and valued at \$300 or more, unless noted otherwise, are considered attractive property at LANL.

<b>Category</b>	<b>Specifications</b>
Balances, electronic	—
Bicycles	—
Cameras: still, TV, movie, and video	Except close-up, powder, oscilloscope, x-ray, surveillance, photomacrographic, and photomicrographic
CD Players	
External CD ROM Disk Drives	
Facsimile machines	—
Firearms	No minimum purchase cost
Microwave ovens	Acquired for \$200 or more
Personal computers	—
Printers	—
Radio hand-held scanners	No minimum purchase cost
Radios (two-way)	—
Recorders	Dictation & answering machines
Scanners, computer	—
Telephones	Cellular and mobile only
Typewriters	—
TV receivers/VCR units	—
Video tape recorders and players	Excluding 3/4" tape machines
Workstations	



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## **Remedies for Misconduct**

### **Theft or Misuse of Laboratory Property**

Acts of theft, illegal possession, unlawful disposition, unlawful appropriation, or misuse of government property are federal offenses. Persons committing illegal acts are subject to criminal prosecution by the U.S. Attorney General or the District Attorney. Such prosecution may result in fines, imprisonment, or both. Such incidents will be reported for inquiry to the FSS/SPO and for documentation to the BTL and BUS-6. Following the inquiry, FSS/SPO may request an investigation be conducted to determine if a crime has been committed. FSS/SPO will report the findings to senior Laboratory management and the DOE in accordance with FSS/SPO's procedures.

### **Employee Misconduct**

Employees who engage in conduct that is prohibited by or fail to abide by the Laboratory's property management policies are subject to corrective action up to and including termination. Actionable conduct includes but is not limited to failure to obtain the required authorizations prior to moving, removing, loaning, or disposing of property.

### **Misconduct by Non-employees**

Contract employees, affiliates, and other LANL workers not employed directly by the Laboratory who engage in conduct prohibited by or fail to abide by the Laboratory's property management policies may have their contracts or assignments at the Laboratory terminated.

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## **Repayment for Property**

If a line manager determines that an employee lost or destroyed an item purposely or through negligence, the manager may require the employee to repay the organization for the item(s) as follows:

- for capital property, the acquisition value minus depreciation, as determined by Property Accounting and entered in PAIRS
- for other property, the replacement cost, as determined by an independent appraisal company and based on the make, model, manufacturer, and age of the item

The payment must be made to Contract Accounting. It is to be accompanied by a memo from the employee explaining the circumstances of the payment and specifying the cost code to which the money should be credited.

The appropriate LANL organizations may require repayment by liable non-Laboratory users of LANL property as follows:

- Procurement or the Industrial Partnership Office for government-furnished property
- BUS-6 for loaned and joint-use property

These repayments will be made according to the terms and conditions of the subcontract or agreement governing the arrangement. The same payment procedure as for employees should be used.

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## **Exceptions/ Changes**

Rather than granting exceptions to the LANL property management system, PM attempts to modify the system to serve all customers when approached with a change request by an individual or organization.

Change requests must be routed through the appropriate PM team, which consults with PAs and all affected organizations. The team's decisions may be appealed to the BUS-6 team leaders. Changes are incorporated into the Property Management Manual and forwarded to DOE/LAAO for approval. These are disseminated throughout the Laboratory through PAs, Lab publications, periodic distribution of revisions, and training for affected personnel.